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Stats

Infoline

Contact bcstats.infoline@gov.bc.ca Issue: 08-20 May 16, 2008

- **Manufacturing sales remained unchanged in March**
- **Housing starts increased 17.1% in April**
- **Youth crime rate edged 1% higher in 2006**

The Economy

- **Factory sales from British Columbia's manufacturers remained virtually unchanged (*seasonally adjusted*) in March compared to the previous month.** Sales by paper (-3.0%) and food (-1.8%) producers retreated, but were almost entirely offset by increases from beverage & tobacco (+9.8%) and chemical (+4.8%) manufacturers. Wood producers recorded the first increase (+0.8%) since November of 2007, which, along with a rise in sales by producers of machinery (+2.7%) and primary metals (+2.1%), helped make up for weakness in the computers & electronics (-4.8%), fabricated metals (-2.7%) and transportation equipment (-2.5%) industries.

  Nationally, Canadian manufacturers gave back some of their recent gains as sales slipped 1.6% in March. At the provincial level, Ontario (-2.9%) and Alberta (-1.4%) felt the largest decreases among the six provinces reporting lower shipments. Quebec's aerospace industry helped tip total manufacturing sales higher (+0.3%).

  Data Source: Statistics Canada

- **In March, the New Housing Price Index in the province's largest urban centres continued to climb, although at a slower pace compared to the previous month.** In Vancouver, higher land (+5.9%) and housing (+6.3%) costs pushed the index 6.1% higher. However, this was lower than February's year-over-year increase (+6.6%). New housing prices rose 1.2% in Victoria, down from 1.6% in the previous month, as housing costs (-4.6%) posted the largest decrease since November 2007.

  Nationally, growth in new housing prices slowed for a second consecutive month, up 6.1% in March. Saskatoon (+46.2%), Regina (+27.8%) and Winnipeg (+15.0%) experienced the largest gains, reflecting higher material and labour costs and strong demand for new housing. *Data Source: Statistics Canada*

- **Housing starts in the province increased 17.1% (*seasonally adjusted*) in April putting BC back on track for double-digit growth following a 37.1% decline in the previous month.** Although starts of single-detached homes in urban areas of the province dropped 14.0%, there was an offsetting expansion (+32.8%) in multiple-unit construction. The Vancouver area (+15.0%) registered a sharp increase in new housing projects as the number of multiple-unit starts jumped ahead 23.3%.

  Nationally, housing starts fell (-16.3%) as seven provinces, most notably Nova Scotia (-65.6%), Newfoundland & Labrador (-62.1%), Alberta (-50.9%) and Saskatchewan (-26.5%), saw a decline in new building activity. However, in addition to BC, both PEI (+100.0%) and Manitoba (+54.2%) posted substantial growth.

  Data Source: CMHC

- **British Columbia led the provinces in new motor vehicle sales in March with an 8.1% (*seasonally adjusted*) increase in the number of units sold.** This is the strongest month-over-month growth rate in BC in more than three years. While the number of North American built cars and trucks fell in March, more vehicles made overseas were driven off BC car lots.

  On the national level, new motor vehicle sales were off 0.5% in March compared to the previous month. Declining sales in Newfoundland

Report BC's Tourism Sector in 2007

Did you know...

While two in three (67%) Canadian workers have had very good health over the last year, four in ten (39%) say stress has made them ill at some point in their lives. *Source: Ipsos Canada*

& Labrador (-21.4%), Quebec (-7.2%) and New Brunswick (-1.5%) more than offset increases in the remaining provinces. *Data Source: Statistics Canada*

Immigrant Labour Market

- **In 2007, the number of working-age (25-54 years) immigrants employed in BC fell 1.1%, compared to a 3.1% increase for Canadian-born British Columbians.** However, the employment rate for immigrant workers expanded 0.6 percentage points from 77.1% in 2006 to 77.7% in 2007 as their population shrank faster than their losses in employment. The unemployment rate for immigrants inched higher (+0.2 percentage points) to 5.0% in 2007, while Canadian-born workers saw their unemployment rate fall (-0.6) to 3.1%.

  Labour market outcomes differ across immigrant groups with newcomers making the greatest gains in 2007. For example, among those who had been in Canada for 5 years or less employment jumped 18.9% between 2006 and 2007 while the unemployment rate fell 1.8 percentage points to 7.7%. However, those who had been in the country between 5 and 10 years experienced a 15.8% drop in employment and a 1.1 percentage point increase in the jobless rate (6.2%) over the same period. Labour market conditions for established immigrants who had lived in Canada for more than 10 years were relatively unchanged in 2007.

  Nationally, employment among working-age immigrants rose 2.1% in 2007 compared to the previous year, higher than the rate for Canadian-born workers (+1.3%). However, the employment rate gap between Canadian-born and immigrant workers widened in 2007—for immigrants, the rate increased 0.2 percentage points to 77.9% while the Canadian-born rate advanced 0.7 percentage points to 83.8%.

  Data Source: SC Cat. # 71-606-XIVE2008003

Youth Crime

- **In 2006, nearly 21,000 youths in British Columbia were implicated in a violation of the Criminal Code (excluding traffic offences).** At 6,438 per 100,000 population, the youth crime rate rose 1% from the previous year. A 14% increase in the robbery rate was a major factor in a 4% rise in the rate for violent crime. Other Criminal Code offences, including bail violations (+22%), disturbing the peace (+14%) and mischief (+6%) were also higher. However, the youth property crime (-7%) and drug offence (-8%) rates were both down in 2006.

  Nationally, the youth crime rate in 2006 was up 3% from the previous year. Among the provinces, Saskatchewan saw the largest increase in its youth crime rate, rising 7% to 19,939 in 2006.

  Quebec was the only province to see a drop (-4%) in the number of youth implicated in criminal activity.

  Data Source: SC Cat. # 85-002, Vol. 28, no. 3

Health

- **In 2005, Canadian nurses who worked in hospital settings where staffing and resources were perceived to be inadequate, as well as those who usually worked overtime, were more likely to report that a patient had received the wrong medication or dosage.** About one-fifth (19%) of registered nurses in hospitals indicated that, during the previous year, errors involving medication for patients had occurred "occasionally" or "frequently."

  Medication error was significantly related to whether nurses worked extra hours, as 22% of those who usually worked overtime reported medication error compared with 14% of those who did not. In addition, the quality of working relations between nurses and physicians was also a factor—27% of nurses whose working relations with physicians were least favourable reported medication error. In comparison, the proportion was only 12% among those whose working relations with physicians were most favourable.

  Indicators of work stress, including low co-worker support and low job security, and dissatisfaction with the job also increased the likelihood of medication error in hospitals.

  Data Source: SC Cat. # 82-003-XIVE

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May 16, 2008

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Neal Dobinson
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Originally published in
Tourism Sector Monitor Issue 08-03

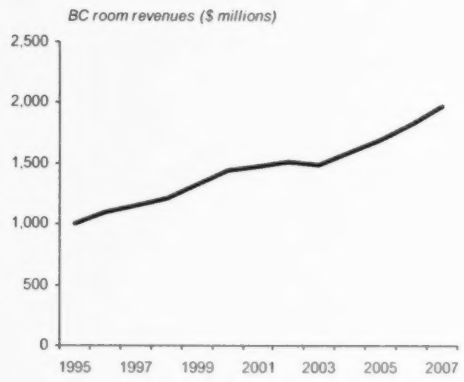
BC's Tourism Sector in 2007

In 2007, most indicators of the provincial tourism sector continued to show solid growth. Room revenues remained on an upward track and hotel operators saw occupancy rates reach an 11-year high. There were more Canadian travellers returning home through BC, and visitation from overseas countries was up. In addition, more people were employed in tourism-related industries in the province last year. However, total visitor entries fell once again as the number of American travellers continued to decline.

Room revenue growth remains strong in 2007; North Coast led the province

Room revenues at BC's accommodation properties rose 7.9% to approximately $2.0 billion. Following record growth in 1999 (+10.2%) and a substantial increase in 2000 (+8.5%), revenues stalled in the early part of this decade but have picked up speed since 2004.

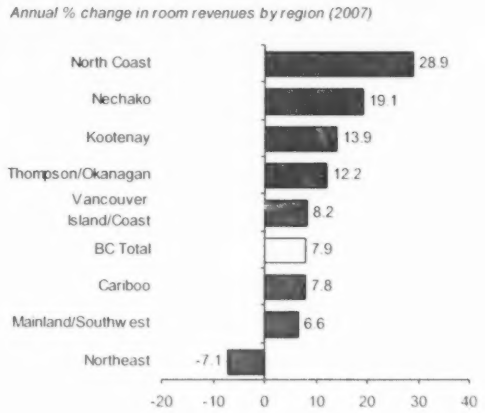
Room revenues continued on an upward trend in 2007



Data Source: BC Stats

The North Coast region led the province in growth during 2007 (+28.9%), driven by higher revenues at fishing lodges, motels and hotels. This marks only the third year since room revenue statistics were developed by BC Stats that North Coast exceeded the provincial average. The neighbouring region of Nechako recorded a substantial increase (+19.1%), building on past gains in 2005 and 2006. Interior regions of the province, including Kootenay (+13.9%) and Thompson/Okanagan (+12.2%), also experienced substantial growth. Vancouver Island/Coast (+8.2%), Cariboo (+7.8%) and Mainland/Southwest (+6.6%) posted more moderate increases. However, Northeast (-7.1%) was the only region to experience lower revenues last year, ending four years of double-digit growth. The decline in this region was mainly due to a significant drop in business at motels and temporary accommodations for seasonal workers.

Revenues were up in all regions except Northeast



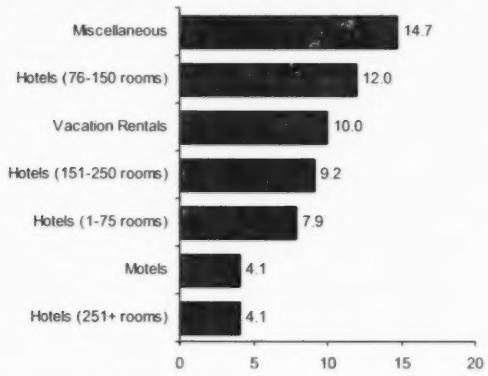
Data Source: BC Stats

All types of establishments were busier last year

Revenues across all accommodation types increased in 2007, with miscellaneous properties (e.g., bed and breakfasts, fishing lodges) leading the pack (+14.7%). Mid-sized hotels (76-150 rooms; +12.0%) continued to outperform small (1-75 rooms; +7.9%), large (151-250 rooms; +9.2%) and very large (251+ rooms; +4.1%) hotels. Vacation rentals (+10.0%) posted the highest growth since 2001, while revenues at motels (+4.1%) increased at a slower pace.

Bed & breakfasts, fishing lodges and other accommodations posted the largest gain

Annual % change in room revenues by accommodaiion type (2007)



Data Source: BC Stats

Visitor entries down for the third consecutive year

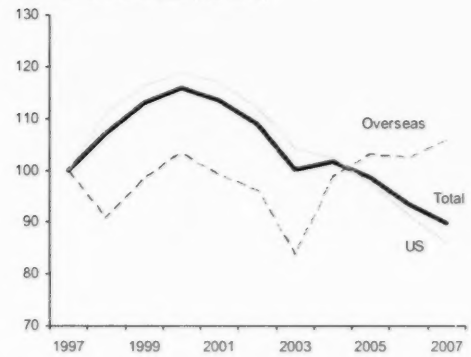
Total visitor entries to Canada via BC fell 3.9% in 2007. Travel from the US slumped (-5.9%) for the seventh straight year, as both same-day (-9.1%) and overnight (-4.1%) visitation was down. However, the US is still the largest international travel market, comprising more than three-quarters (77%) of total entries to the province last year.

The recent downward trend in the number of US travellers to the province is likely due to a number of economic factors, including the depreciation of the US greenback relative to the Canadian dollar, the rising cost of airfare and accommodations, and skyrocketing gasoline prices. In addition, given the weakening of the US economy, consumer spending by Americans is expected to decline as are discretionary expenditures such as travel to BC.

On the other hand, the overseas market has been gaining momentum. In 2007, overseas entries rose (+3.3%) for the third time in four years and accounted for 23% of total entries. More visitors from Europe (+5.3%), including the UK (+6.5%) and Germany (+2.6%), contributed to the increase. Entries from Oceania (+13.4%) surged, driven by an influx of Australians (+12.8%) visiting the province. However, the number of entries originating from Asia decreased 2.5%, as there were fewer travellers from Taiwan (-15.0%), Japan (-10.9%) and South Korea (-1.6%).

Total and US entries have steadily declined since the turn of the century; overseas entries trending up since 2004

Visitor entries index (1997=100)



Data Source: Statistics Canada

Although overseas visitors comprise a much smaller share of total entries compared to US travellers, their economic contributions to the provincial tourism sector are significant. According to data from Statistics Canada's International Travel Survey, overseas visitors to BC spent approximately $1.7 billion in 2006, almost as much as their

American counterparts ($1.8 billion). This is due to the fact that overseas travellers tend to stay in the province for a longer period of time—13.3 nights compared to 3.5 nights for overnight US visitors.

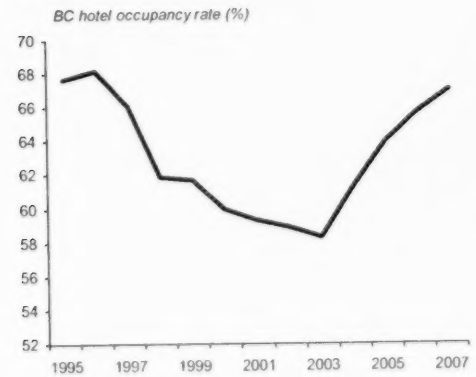
More Canadians returned home through BC from the US and overseas

With respect to domestic travellers, the number of Canadians re-entering the country via BC rose (+6.4%) for the fifth consecutive year. Total trips to the US were up 6.6% and same-day trips also increased (+4.0%). Last year, about 1.2 million Canadians returned home from overseas countries, 4.9% more than in 2006.

Other indicators

Inter- and intra-provincial travellers continued to be an important market for BC's hotel industry in 2007. Despite the decline in overnight US entries, the average hotel occupancy rate (67.0%) reached its highest level since 1996. In addition, the average room rate advanced 5.8%, surpassing growth in the previous nine years.

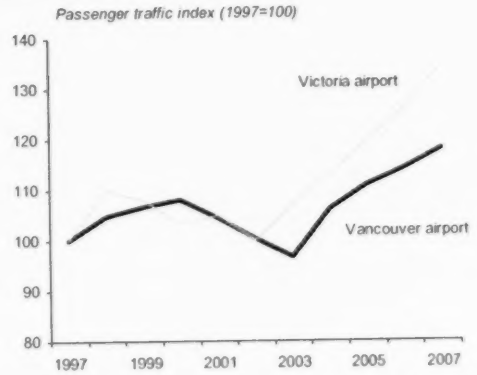
The provincial hotel occupancy rate has regained lost ground



Data Source: Pannell Kerr Forster

There were more travellers through BC's major airports in 2007. Continuing the trend that began in 2003, passenger traffic at the Victoria airport (+6.6%) increased at a faster pace compared to the Vancouver airport (+3.4%). BC Ferries recorded higher vehicle volume (+0.3%) while passenger volume was flat (0.0%). Following a 1.3% drop in 2006, there were 5.0% more passenger vehicles passing through the toll booths on the Coquihalla Highway last year.

Passenger traffic at the Victoria airport has taken off in recent years



Data Sources: Vancouver & Victoria Airport Authorities

Sales in the province's food services and drinking places industry were up 3.8% last year. Although food service establishments experienced a 3.4% increase in receipts, this was below record growth seen in 2006 (+9.5%). Revenues at drinking places, including bars, nightclubs and taverns, rebounded (+10.0%) following two years of declines.

The number of jobs in tourism-related industries continued to expand in 2007, led by the food & beverage services industry where total employment rose 4.5%. Arts, entertainment & recreation (+3.0%) also posted strong growth, although this was about half the rate recorded in 2006 (+6.3%). The air transportation (+1.9%) and accommodation (+1.6%) industries experienced relatively slower rates of job growth last year.

Other tourism indicators advanced in 2007

	2007	Change from 2006
Hotel Industry		
Occupancy rate (%)	67.0	1.3 pp.
Average room charge ($) *(Pannell Kerr Forster)*	129.02	5.8
Airport Passengers	**(000s)**	**(%)**
Vancouver International Airport		
Total traffic	17,496	3.4
US (trans-border)	4,361	2.6
Other International	4,118	4.0
Canada (domestic) *(YVR)*	9,017	3.5
Victoria International Airport		
Total traffic *(Victoria Airport Authority)*	1,482	6.6
Food Services Receipts	**($ millions)**	**(%)**
All establishments	7,650	3.8
Food service	7,170	3.4
Drinking places *(Statistics Canada)*	480	10.0
Transportation	**(000s)**	**(%)**
Coquihalla Highway		
Passenger Vehicles *(Ministry of Transportation)*	2,730	5.0
BC Ferries		
Vehicle Volume	8,558	0.3
Passenger Volume *(BC Ferries)*	21,690	0.0
Employment	**(000s)**	**(%)**
Air transportation	16.7	1.9
Accommodation	35.8	1.6
Food & beverage services	141.1	4.5
Arts, entertainment & recreation *(Statistics Canada)*	39.1	3.0

Note: pp. percentage points

Conclusion

Overall, 2007 was another good year for BC's tourism sector. Accommodation room revenues showed solid growth, visitation from overseas countries increased, and hotel occupancy rates and tourism-related employment continued to advance. Although the number of travellers from the province's largest international market—the US—continued on a downward trend, it appears that domestic travellers have been driving the expansion of BC's tourism sector. For example, accommodations had a more lucrative year and hotel occupancy rates continued to rise in the face of a declining US market. In addition, according to the Canadian Tourism Commission and Statistics Canada[1], domestic demand accounted for most (77%) of the tourism-related spending in Canada. These findings suggest that the domestic market is a significant player in the provincial and national tourism sectors.

[1] *National Tourism Indicators*, fourth quarter 2007

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jan 1/08	% change on one year ago
BC	4,414.0	1.5
Canada	33,143.6	1.1
GDP and INCOME (Revised Apr 28)		
(BC - at market prices)	2007	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	190,214	5.5
GDP *($ 2002 millions)*	163,200	3.1
GDP *($ 2002 per Capita)*	37,258	1.7
Personal Disposable Income *($ 2002 per Capita)*	24,728	3.0
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Mar	3,359	0.0
Merchandise Exports - Mar	2,311	-8.8
Retail Sales - Feb	4,744	-1.1
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Mar 2008)		
BC	1.2	1.4
Vancouver	1.5	1.7
Victoria	0.6	0.8
Canada	1.4	2.1
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Apr '08	prev. month
Labour Force - BC	2,429	0.3
Employed - BC	2,324	0.3
Unemployed - BC	105	0.7
		Mar '08
Unemployment Rate - BC *(percent)*	4.3	4.3
Unemployment Rate - Canada *(percent)*	6.1	6.0
INTEREST RATES (percent)	May 14/08	May 16/07
Prime Business Rate	4.75	6.00
Conventional Mortgages - 1 year	6.95	6.60
- 5 year	6.99	6.64
US-CANADA EXCHANGE RATE	May 14/08	May 16/07
(avg. noon spot rate) Cdn $ per US $	1.0020	1.1029
(closing rate) US $ per Cdn $	0.9957	0.9059
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Apr '08	one year ago
BC	772.40	3.3
Canada	773.54	4.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

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Next week

- Quarterly Regional Statistics, 1st Quarter 2008
- Consumer Price Index, April 2008

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